

## 2004

# QUALITY CHILD-CARE INVESTMENT TAX CREDIT WORKSHEET INSTRUCTIONS

A taxpayer that has made an investment during the tax year toward the goal of providing quality child-care services is allowed a credit in an amount equal to the qualifying portion of expenditures paid or expenses incurred by the taxpayer for certified investments in child-care services. For corporations, the qualifying portion is 30% of up to \$30,000 of expenditures, apportioned if part of an affiliated group engaged in a unitary business. For individual taxpayers that expend at least \$10,000 during the tax year, the qualifying portion is \$1,000 each year for nine years and \$11,000 in year ten. The credit is limited to the income tax otherwise due, excluding minimum tax, but any excess can be carried over to the following year or years until exhausted. For purposes of this credit, the term corporation includes partnerships, LLCs, S corporations, financial institutions and trusts.

“Quality child-care services” is defined as services provided at child-care sites that meet minimum licensing standards and are accredited by an independent, nationally recognized program approved by the Department of Health and Human Services (“DHHS”), Office of Child Care and Head Start. The service provider must utilize recognized quality indicators for child-care services approved by DHHS, Office of Child Care and Head Start and include provisions for parent and client input, review of the provider’s policies and procedures, program records and an on-site program review.

Only investments certified by the DHHS, Office of Child Care and Head Start qualify for this credit. To obtain an application for certification and an explanation of investments that qualify, visit the MRS Web site at [www.maine.gov/revenue](http://www.maine.gov/revenue), or call DHHS at (207) 287-5060.

### SPECIFIC LINE INSTRUCTIONS

Please enter the taxpayer name and social security number (“SSN”) or employer identification number (“EIN”).

**Note:** In the case of pass-through entities (partnerships, LLCs, S Corporations, trusts, etc.), the partners, members, stockholders, beneficiaries, etc., are allowed a credit in proportion to their respective interest in these entities. Attach a schedule showing the credit generated by the pass-through entity and the assignment/distribution to each partner, shareholder, beneficiary, etc. Include the name, address, and federal ID number of the pass-through entity on the schedule and the name and SSN/EIN of each partner, shareholder, beneficiary, etc.

- Line 1. Enter the total amount of quality child-care investments certified by DHHS. For S corporation shareholders, partners, LLC members, trusts and trust beneficiaries, enter the total certified investment of the pass-through entity, then go to line 2 to calculate your percentage share. Sole Proprietors may skip line 2 and go directly to line 3.
- Line 2. For taxpayers who are C corporations, the credit is limited to 30% of the total investment up to \$30,000. For S corporation shareholders, partners, LLC members, trusts and trust beneficiaries, the credit is limited to 30% of your percentage interest of the total investment up to \$30,000. Taxpayers who are sole proprietors must make an investment of at least \$10,000 to qualify for the credit and the credit is limited to \$1,000 each year for 9 years and \$11,000 in year ten.
- Line 3. For C corporations, S corporation shareholders, partners, LLC members, trusts and trust beneficiaries, enter 30% of line 2. Sole-proprietors that have made a qualifying investment, enter \$1,000 on line 3.
- Line 4. Enter any unused credit amounts from previous years. See instructions for line 5 for an explanation of the credit limitations.
- Line 5. The amount of the credit that may be used by a taxpayer for a taxable year may not exceed the amount of income tax otherwise due. For corporations, the credit limitation is applied on Form 1120ME, Schedule C; the credit limitation for individuals is applied on Form 1040ME, Schedule A. Any unused credit may be carried over to the following year or years until exhausted.



**2004**  
**QUALITY CHILD-CARE INVESTMENT**  
**TAX CREDIT WORKSHEET**  
**36 M.R.S.A. § 5219-Q**

TAXPAYER NAME: \_\_\_\_\_ EIN/SSN: \_\_\_\_\_

**Note: Owners of pass-through entities (partnerships, LLCs, S corporations, trusts, etc.) making an eligible investment, see instructions. Also, please provide name and ID number of the pass-through entity on the lines below.**

NAME OF PASS-THROUGH ENTITY

EIN/SSN

\_\_\_\_\_

Type of Entity: (Please check one)

☐ Partnership    ☐ Sole Proprietor    ☐ C corporation    ☐ S corporation    ☐ LLC    ☐ Trust

1. 2004 Quality child-care investments certified by the Department of Health and Human Services, Office of Child Care and Head Start. Attach a copy of the certificate ..... 1. \_\_\_\_\_

**Note:** S corporation shareholders, partners, LLC members, trusts and trust beneficiaries:  
Enter on line 1 the total certified investment of the pass-through entity, then go to  
line 2 to calculate your percentage share.

2. **C corporations:** Enter amount on line 1 or \$30,000, whichever is less.  
**S corporation shareholders, partners, LLC members, trusts and trust beneficiaries:**  
Enter an amount equal to line 1 multiplied by your percentage interest in the pass-through  
entity (or \$30,000, whichever is less) . Your percentage interest: \_\_\_\_\_ % ..... 2. \_\_\_\_\_
3. C corporations, S corporations shareholders, partners, LLC members, trusts and trust  
beneficiaries: Multiply line 2 x by 30% (.30) (Do not enter more than \$9,000).  
Sole-proprietors: Enter \$1,000 if line 1 is at least \$10,000 ..... 3. \_\_\_\_\_
4. Credit carried over from previous tax years. See instructions ..... 4. \_\_\_\_\_
5. Total credit available this year (line 3 plus line 4). Corporate taxpayers, enter on Form  
1120ME, Schedule C, line 29c. Individual taxpayers, enter on Form 1040ME, Schedule  
A, line 18 ..... 5. \_\_\_\_\_